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Cayman Isles Bank Account Aired at Rewald Trial

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A defense attorney in the Ronald Rewald fraud trial yesterday questioned why the FBI did not investigate the possibility that there were millions of dollars hidden in a bank in the Cayman Islands.

But an FBI accountant testified that he had no dependable source of information that there was any such bank account and that he had tracked down all of the money put into Rewald's company by investors.

After the fall of Bishop, Baldwin, Rewald, Dillingham & Wong in 1983, there were rumors that \$10 million was in a Cayman Island bank, supposedly money to be used to bail out investors.

But FBI Special Agent Glenn Martin said there was no evidence that such an account existed.

He said there is no way that there would be \$10 million of investors' money in any account because all that money has been accounted for.

(The Cayman Islands are a group of three British islands, south of Cuba.)

The FBI, just days after the Bishop, Baldwin collapse, did check out the rumors of a Cayman Island account. BBRD&W consultant Ned Avary agreed to cooperate with the FBI and allow telephone conversations between him and another consultant, Robert Jinks, to be recorded.

IN CONVERSATIONS, however, Jinks said there was not much chance that there was any money in the Caymans.

(Jinks) ... was down with the attorney and personally talking to Ron this morning in jail and asked them if there was anything there, and Ron said "no," Avary told former Honolulu FBI chief William Irwin in a taped conversation.

After leaving court, defense attorney Wayne Parsons would not say if he or Rewald's other attorneys have proof that there was some secret bank account in the Caymans.

Rewald's supporters claim that Avary was involved in a \$10 million military arms deal with Taiwan at the time of Bishop, Baldwin's collapse. Avary has denied that.

Avary also has denied that he ever worked for the CIA although evidence introduced during the trial shows that he did have contact with the agency before he joined Rewald's company. Avary is a former military and commercial airline pilot.

Rewald is on trial on 98 counts of fraud, perjury and tax evasion. The government claims he bilked some 400 investors out of millions of dollars.

Rewald, however, claims his company was set up and run by the CIA. The CIA claims it only used Rewald to provide "light cover" for a few agents and was not responsible for running Rewald's company.